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DEPT FOR NEA/ELA, DRL
NSC STAFF FOR WATERS

E.O. 12958: DECL: 08/20/2017
TAGS: [PGOV](#) [PHUM](#) [EAID](#) [KDEM](#) [EG](#)
SUBJECT: EGYPT: MINISTER FOR SOCIAL SOLIDARITY DISCUSSES
REVAMP OF NGO LAW

REF: A. CAIRO 2200
[1](#)B. CAIRO 2067

Classified by DCM Stuart Jones for reasons 1.4 (b) and (d).

[1](#)1. (C) In an August 15 meeting with Minister of Social Solidarity (MSS) Ali Al-Moselhy, USAID Acting Director followed up on the Ambassador's July meeting with Moselhy (ref A), and expressed USG concern about the new draft NGO law. Press reporting about the yet-to-be-publicized new law suggests that the GOE may be seeking to restrict further the ability of civil society organizations (CSOs) to pursue agendas critical of the GOE and to accept foreign funding. Moselhy said he had not yet seen the draft law, or even read about it in the newspapers, noting that the input for the new law is being prepared by a committee that "has no legal standing" and is only "advisory" in nature. The process was ongoing, Moselhy said, and was "still open to public discussion." Moselhy said he plans to meet with the group's steering committee in early September to review its draft "recommendations." The minister also asserted that NGOs had been given a full opportunity to contribute to the draft law. We asked him why many in the NGO community are critical of the proposed new law. Moselhy said he did not understand their objections: "Why don't you ask them?"

[1](#)2. (C) USAID Acting Director also told the minister that we are concerned about the draft law's alleged proposed limitations on CSOs to register as "civil companies" (vice as formal non-governmental organizations). Moselhy expressed his annoyance at groups (like the Ibn Khaldun Center) which seek to avoid the complex and lengthy NGO registration process by registering as civil companies, and suggested that it is a high priority for the GOE to close this loophole. Moselhy said that some NGOs are operated by "criminals" who are "defrauding the Egyptian people." USAID Acting Director replied that although the GOE has legitimate security and fiduciary interests in NGO operations, those interests should be balanced against the civil liberties of those engaged in non-governmental public service. (Note: Some Egyptian CSOs register under the Egyptian commercial code as non-profit "civil companies," a step that allows them to secure legal status and avoid oversight by the MSS. Egyptian law, however, also contains imprecise provisions that prohibit "NGO-like" activity unless a group is formally registered as an NGO with the MSS. Some CSO activists have expressed concern that a new NGO law, and related commercial code amendments, would close off the "civil companies" option. Ref B contains additional background. End note.)

[1](#)3. (C) USAID Acting Director told Moselhy that the USG would have objections to a new NGO law that would allegedly require foreign donors to utilize a special "coordination committee" that would direct funds to NGOs according to GOE

priorities. Moselhy agreed that this provision should be dropped, stating that he did not want a confrontation with the USG. Moselhy ended the meeting by reiterating his wish that we encourage NGO partners to submit their ideas and critiques on the new law directly to him. Moselhy also expressed his eagerness to continue to discuss the draft law with us and invited USAID Acting Director to continue their dialogue on this issue.

¶4. (C) Septel will review current information available about the new law as well as civil society reactions to the new proposed law.

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